

December 15, 1976

Mr. Jerry Clark
Hydro-Jet Services, Inc.
P.O. Box 325
Green River, Utah 84525

Dear Mr. Clark:

After we talked with you on December 13th we had a number of conversations with Mr. Glen Brown of the NRC, Mr. M.H. Montgomery of Caldwell, Richards and Sorensen, and Mr. A.B. Fly. We are now convinced that most of the problems that have come up regarding your milling process are due to a general lack of information and misconceptions on everybody's part.

Let me relate to you what we have learned and what we now require to get your approval with the Division rolling.

- (1) NRC now tells us that the tailings disposal facility is licensed. This is just the opposite of what they had been telling us.
- (2) The tailings dam was licensed before it was built on the stipulation that it be built to specifications listed in the license.
- (3) Mr. Fly said that the material to be deposited in the tailings pond will be less than .01% U_{235} and less than 1gm/L $NaCO_3$ in solution.
- (4) NRC will not require detailed analysis of the dam as long as it was built to the specifications listed in the license.

In light of the above information and the engineering report that we now have, we will still require that you comply with the six (6) points mentioned by us to Gary Ekker on October 7th. We still will require that the tailings dam be analyzed by your soils engineer to provide us with the minimum factor of safety value for failure. The clay seal effect should be included, this will increase the F.S. This can probably be done with the present knowledge on the material properties of the structure. This analysis is necessary to assure us that the facility will be structurally sound and it will also help you dispell the doubts that any other state, federal or private agency or group may have regarding the possible environmental affects of your operations.

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Please contact us by phone as soon as possible so we can discuss this matter further.

Sincerely yours,

DIVISION OF OIL, GAS, AND MINING

BRIAN W. BUCK
ENGINEERING GEOLOGIST

BWB/lc

Enclosed: Copy of October 12, 1976 Memorandum